

August 13, 2001

Mr. Andrew Fastow  
Executive Vice President  
& Chief Financial Officer  
Enron Corp.  
1400 Smith  
Houston, TX 77002

Arthur Andersen LLP  
Suite 1300  
711 Louisiana Street  
Houston TX 77002-2786  
Tel 713 237 2323  
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Dear: Andy

In connection with our audit of Enron Corp (the Company), we have been made aware that you, as a senior officer of the Company, divested all of your interest in LJM Cayman, L.P. and LJM2, L.P. (collectively, the LJM entities) to an employee who has left the Company (the purchaser). The Company has requested our concurrence that the LJM entities would no longer be considered related parties of the Company once this sale is effective. In connection with our determination, we would like to confirm with you the following to the best of your knowledge and belief:

- the sale was effective in July, 2001,
- no party has the right to cancel the sale once it is effective.
- subsequent to the sale, you have no continuing involvement in the LJM entities (including economic interest and/or support),
- there are no unfulfilled obligations, commitments, contingencies or special arrangements between the Company and the LJM entities under the purchase and sale documents or otherwise related to the sale; and
- there were no pending transactions between the LJM entities and the Company for which terms were negotiated and agreed to prior to the effective date of the sale.

Please confirm that the above is true by signing and returning this confirmation to David B. Duncan with Arthur Andersen. If you are not able to do so, please contact Richard Causey or David Duncan so that we may consider further the reasons therefore.

Thank you for your cooperation. A stamped, addressed envelope is enclosed for your convenience.

Very truly yours,

Enclosure

I confirm, to the best of my knowledge and belief, the above statements to be true.

  
\_\_\_\_\_  
Andrew Fastow

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